

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

October 13, 2004

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated September 13, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Board on this date as Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Canadian Pacific Railway Company
401 9th Ave SW, 5th Floor
Calgary, Alberta T2P 4Z4
Canada

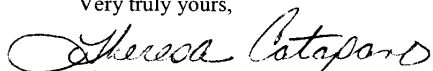
A description of the railroad equipment covered by the enclosed document is thirty (30) 286,000 GRL, 52'6" interior length, 5'6" sides, mill gondolas, cars marked NOKL (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(CP058)

RECORDATION NO. 25245-6 FILED

OCT 15 '04 4-25 PM

SURFACE TRANSPORTATION BOARD

VIA UPS 2ND DAY AIR

OCT 15 2004
RECEIVED

RECORDATION NO.

25245-6

FEB

ASSIGN. NO. CP058

OCT 15 '04

4-25 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 13th day of September, 2004, by and between the Montreal branch of FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and CANADIAN PACIFIC RAILWAY COMPANY, (the "Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease") dated as of February 4, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 12 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of May 1, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

NAME: Susan A. BarrieTITLE: Regional Vice President, SalesSIGNATURE: Susan A. Barrie

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

I, Gordon Hopkins, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A. Barrie personally appeared before me this day and acknowledged her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of September, 2004.

Gordon Hopkins

Commissioner of Oaths

My Commission expires:

21.7.2006

LESSEE:

CANADIAN PACIFIC RAILWAY COMPANY

NAME Donald B. Campbell
VP Business Planning & Development
TITLE Canadian Pacific Railway

SIGNATURE: *DB Campbell*

PROVINCE OF Alberta
CITY
DISTRICT OF Calgary

I, Don Barnhardt, a Commissioner of Oaths of the Province
and District aforesaid, certify that Don Campbell personally appeared before me
this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 1st day of July, 2004.

Don Barnhardt
Commissioner of Oaths

My Commission expires:

DON BARNHARDT
Barrister and Solicitor
Suite 920, 401 - 9th Avenue SW
Calgary, AB T2P 4Z4
Telephone: 319-6183

EXHIBIT A
To
MEMORANDUM OF LEASE

NUMBER OF CARS: Thirty (30).

DESCRIPTION OF CARS: 286,000 GRL, 52'6" interior length, 5'6" sides, mill
Gondolas suitable for scrap metal service.

CAR NUMBERS:

NOKL	320200
NOKL	320206
NOKL	320210
NOKL	320211
NOKL	320218
NOKL	320219
NOKL	320227
NOKL	320230
NOKL	320232
NOKL	320235
NOKL	320259
NOKL	320278
NOKL	320279
NOKL	320285
NOKL	322119
NOKL	322128
NOKL	322151
NOKL	322163
NOKL	322166
NOKL	322167
NOKL	322169
NOKL	322190
NOKL	322194
NOKL	322215
NOKL	322235
NOKL	322246
NOKL	322251
NOKL	322253
NOKL	322263
NOKL	322264
Count:	30